

REMARKS/ARGUMENTS

These remarks are submitted in response to the Office Action dated August 10, 2009 (Office Action). As this response is timely filed within the 3-month shortened statutory period, no fee is believed due. However, the Examiner is expressly authorized to charge any deficiencies to Deposit Account No. 14-1437.

Claim Rejections – 35 USC §§ 102 & 103

Claims 1-3, 5-9, and 25-29 were rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent 6,055,513 to Katz (hereinafter Katz). Claim 4 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Katz in view of U.S. Published Patent Application 2001/0039514 to Barenbaum (hereinafter Barenbaum).

Applicants respectfully disagree with the rejections and thus have not amended the claims to overcome the rejections.

Applicants' Invention Predates Barenbaum

Applicants respectfully submit that Applicants' invention predates the April 4, 2000 effective date of Barenbaum. Declarations and other supporting evidence for establishing conception of the claimed subject matter at least as early as March 20, 2000 and diligence from prior to the effective date Barenbaum to the date that the instant Application was filed have been submitted with the response dated November 6, 2006.

It was asserted on page 11 of the Office Action dated March 21, 2007 that Applicant's Invention Disclosure created on 03/20/2000 simply describes the concept of tracking the expiration date and/or life expectancy of items purchased by consumers and notifying the consumers with advertisements that replenishment was needed based on items previously purchased expiring or exceeding their useful life. It was further asserted that targeting consumers based upon the expiration date or products exceeding their

useful life is not the same as targeting advertisements to consumers based upon previously purchased items becoming obsolete because a new or alternate version of the at least one merchant-specified product is expected to be introduced within a predetermined time period, as recited in Applicant's claim 1.

It is described on page 2 of the Invention disclosure: "Our invention is based on the novel combination of a method/apparatus that is able to track the expiration data and/or life expectancy of items purchased by a consumer with a method/apparatus enabling the targeted delivery of advertising" and "an indication that replenishment was needed based on items previously purchased expiring or exceeding their useful life." It is recited in Claim 1 "determining . . . that at least one of the detected products is an obsolete product when a new or alternate version of the at least one of the detected products has at least one among current availability and expected availability within a predetermined time period, and ascertaining which of said identified potential consumers previously purchased at least one of said obsolete products." However, it is noted that tracking the life expectancy of items purchased by consumers and targeting consumers based upon products exceeding their useful life are related to targeting consumers based upon products becoming obsolete because a product becomes obsolete when it exceeds its life expectancy or is no longer useful. Although Applicants do not believe that every recitation in the claims needs a verbal support from the Invention Disclosure, the recitation "when a new or alternate version of the at least one of the detected products has at least one among current availability and expected availability within a predetermined time period" has been deleted.

It was asserted on page 12 of the Office Action dated March 21, 2007 that Applicant's affidavit is defective in proving diligence because the Applicant must account for the entire period during which diligence is required, which in the Applicant's case is from March 20, 2000 to February 16, 2001, which is almost 11 months. The Applicant simply mentioning in his affidavit page 2, section 6 that he conceived the present claimed invention from at least as early as March 20, 2000, and exercised due

diligence from that date to February 21, 2001 is not enough proof that the Applicant was diligent.

First, it is noted that the period during which diligence is required should be from April 3, 2000 (just prior to the effective date April 4, 2000 of Barenbaum) to February 16, 2001 (filing date of the instant application). Second, the length of the period during which diligence is required should not be an indication or create a presumption of lacking of diligence. Third, besides the declarations, Applicants have also submitted the following supporting evidence:

- A letter dated April 14, 2000, in which IBM instructed outside counsel to prepare and file an application for the invention described in the Invention Disclosure. Outside counsel prepared the Application consistent with long-established professional practices. According to these established practices, outside counsel prepares cases on a first-in, first-out basis unless a particular case is associated with a bar date, in which event the case is granted priority within the work queue. Outside counsel followed this professionally-accepted practice in preparing the Application in this case. According to MPEP 2138.06, "Reasonable diligence is all that is required of the attorney. Reasonable diligence is established if attorney worked reasonably hard on the application during the continuous critical period. If the attorney has a reasonable backlog of unrelated cases which he takes up in chronological order and carries out expeditiously, that is sufficient."
- A letter dated January 5, 2001 from the outside counsel attaching the draft application.
- An e-mail letter dated January 29, 2001 from one of the inventors with comments and questions after reviewing the draft application. Outside counsel revised the draft application consistent with Applicants' comments and filed the Application on February 16, 2001.

Therefore, Applicants believe that Applicants conceived the present claimed invention prior to the effective date April 4, 2000 of Barenbaum and exercised due diligence from a date just before the effective date of Barenbaum until the filing of the instant application on February 21, 2001. Barenbaum is thus not available as prior art reference and all rejections in connection with Barenbaum are moot.

It is noted that the above arguments have already been presented in the previous response and the Examiner has not commented on these arguments.

The Claims Define Over The Prior Art

Katz discloses a method for providing offers in real time of an item constituting a good or a service in the form of offers for purchase of the item to prospective customers as users of the system, utilizing an electronic communications device, comprising the steps of: establishing a communication via the electronic communications device between the user and the system for purpose of a user initiated primary transaction for purchase of a specific good or service; obtaining primary transaction data with respect to the primary transaction, including the identity of the prospective customer and of the good or service for purchase in the primary transaction; and generating an up-sell offer as a result of the user initiated primary transaction by: utilizing the identity of the prospective customer to obtain at least a second data element relating to the user, utilizing at least in part the primary transaction data including the identity of the good or service of the primary transaction and the second data element and determining at least one item for a prospective up-sell transaction with the prospective customer, and offering the item to the prospective customer and receiving an acceptance of the offer from at least one user in real time during the course of the user initiated communication. See Claim 1 of Katz.

Clearly, the subject matter of Katz, which concerns offering up-sell products or services based on transaction data of the user initiated primary transaction, is totally different from the subject matter of the present invention, which concerns providing promotional material to consumers to promote products based on detected business

necessities, such as pending or impending inventory crisis, and whether the products are obsolete products.

More particularly, Katz differs from the present invention in at least the following aspects.

First, Katz offers up-sell products or services based on transaction data in real time during the primary transaction. In contrast, in the present invention the products to be promoted are detected based on detected business necessities such as pending or impending inventory crisis (such as when the merchant is receiving a shipment of goods but does not have room for them) and offered to potential consumers who have previously purchased the detected products. Katz describes in col. 23, lines 40-50 that the system may still offer the product if it will become available in a timely manner. However, this has nothing to do with the business necessity in the sense of the present invention. It is noted that Katz uses inventory data not to offer up-sell products in order to solve pending or impending inventory crisis, but rather to make sure that the up-sell products are available or will become available in a timely manner.

Second, the Examiner cited Katz col. 24, lines 30-50 as teaching "identifying one or more potential consumers who have previously purchased one or more of the detected products" as recited in Claims 1, 25, and 29 of the instant application. However, Katz col. 24, lines 30-50 describes up-sell analysis of an already identified user (i.e., the user who has initiated contact with the system). Similarly, Katz col. 11, lines 30-55, cited by the Examiner, describes determining if there is an up-sell fit for an already pre-determined user (i.e., the user who has initiated contact with the system).

It is noted that in the present invention the products to be promoted are detected based on detected business necessities, not based on transaction data of a current transaction as in Katz. Therefore, in the present invention the determination of what products to promote is totally based on the merchant's needs, not based on any on-going purchase transactions. Katz cannot promote products to solve pending or impending

inventory crisis because the up-sell products are totally based on on-going purchase transactions and may not be related to the inventory crisis.

In summary, there are major differences in the problem the present invention solves and the approach the preset invention takes versus Katz. The present invention solves a problem for the merchant when the merchant needs to move inventory for a variety of reasons (see Specification, page 9, lines 13-16) by identifying consumers likely to buy such inventory and reaching out to the consumers through the delivery system (see Specification, page 13, line 13 - page 14, line 18) with promotional material. Katz, on the other hand, requires and takes advantage of initial contact by a user to up-sell. Katz states in col. 13, lines 52-53, "Initially, a system user contacts the system for purpose of a primary transaction." Katz does not initiate the contact for the transaction, that is, Katz does not identify the consumers as the present invention does. The present invention identifies the targeted consumers and reaches out to them whereas Katz requires that the user initiates contact with the system.

Accordingly, Katz fails to disclose or suggest each and every element of Claims 1, 25, and 29. Applicants therefore respectfully submit that Claims 1, 25, and 29 define over the prior art. Furthermore, as each of the remaining claims depends from Claims 1 or 25 while reciting additional features, Applicants further respectfully submit that the remaining claims likewise define over the prior art.

Applicants thus respectfully request that the claim rejections under 35 U.S.C. §§ 102 & 103 be withdrawn.

CONCLUSION

Applicants believe that this application is now in full condition for allowance, which action is respectfully requested. Applicants request that the Examiner call the undersigned if clarification is needed on any matter within this Response, or if the

Examiner believes a telephone interview would expedite the prosecution of the subject application to completion.

Respectfully submitted,

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/Gregory A. Nelson/
Gregory A. Nelson, Registration No. 30,577
Yonghong Chen, Registration No. 56,150
NOVAK DRUCE + QUIGG LLP
Customer No. 40987
525 Okeechobee Blvd.
15th Floor
West Palm Beach, FL 33401
Telephone: (561) 838-5229